



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

December 30, 2021

OFFICE OF CONGRESSIONAL AND
INTERGOVERNMENTAL RELATIONS

The Honorable Shelley Moore Capito
Ranking Member
Committee on Environment and Public Works
United States Senate
Washington, DC 20510

Dear Senator Capito:

Thank you for your November 2, 2021 letter to the U.S. Environmental Protection Agency (EPA) regarding the Agency's new electric school bus rebates program.

School buses collectively travel over four billion miles each year, providing the safest transportation to and from school for more than 25 million American children every day. However, diesel exhaust from these buses has a negative impact on human health, especially for children who have faster breathing rates than adults and whose lungs are not yet fully developed. The *American Rescue Plan Act of 2021* (ARP) (Public Law 117-2) appropriated funds to EPA for "activities that identify and address disproportionate environmental or public health harms and risks in minority populations or low-income populations" under several programs, including the Diesel Emissions Reduction Act (DERA) program. As you may know, EPA addresses air pollution emissions from legacy engines through the DERA program, which has enjoyed wide-bipartisan support since its inception in 2005. Since the program's initial authorization in the Energy Policy Act of 2005—and unanimous bipartisan reauthorization in 2010 and most recent reauthorization in the Consolidated Appropriations Act, 2021—the DERA program has been and continues to be the only Federal government program addressing legacy engines as its sole mission. Cost-effective, targeted to disproportionately affected communities, and supported by American industry, the DERA program continues to evolve with market and stakeholder demands.

After the ARP was signed into law by President Biden on March 11, 2021, EPA developed its allocation plan for the ARP and identified existing grant and contractual vehicles across Agency programs that met both the underlying statutory requirements and the ARP's clear mandate to focus on identifying and addressing disproportionate environmental or public health harms and risk in minority populations and low-income populations. EPA prioritized use of existing grant and contractual vehicles for expenditure of these funds to facilitate the quickest allocation of resources to aid in critical responses to the impacts of the COVID-19 pandemic, which continues to disproportionately impact these communities. The DERA program was allocated \$7 million of these funds for electric school bus rebates in underserved communities. The ARP Electric School Bus Rebates will replace old, highly polluting diesel buses with

zero-emission battery-electric buses. This will result in cleaner air on buses, in bus loading areas, and throughout the communities in which they operate.

For years, EPA has consistently received feedback from minority populations and low-income populations facing disproportionate environmental or public harms, expressing interest in zero-emission technologies. Additionally, EPA has received comments that schools serving these populations may struggle to afford new bus replacements. EPA's decision to allocate \$7 million for DERA of the \$50 million in ARP funds directed towards these populations reflected this feedback in the same manner that EPA has consistently managed the DERA program to meet stakeholder demands. The Agency further incorporated this zero-emission feedback into its design of the ARP Electric School Bus Rebate Program.

The ARP Electric School Bus Rebates are available to eligible school districts and private fleet owners for the replacement of old diesel school buses with new electric ones. Applications from school districts were due on November 5, 2021. In this funding opportunity, eligibility is limited to (1) high-poverty school districts, (2) tribal governments, and (3) private school bus fleets serving these public schools. Selected applicants that scrap and replace their old diesel buses with new electric buses will receive a rebate of \$300,000 per bus. More information on how this program is being administered, including eligibility and selection details, is available on EPA's website at: <https://www.epa.gov/dera/2021-american-rescue-plan-arp-electric-school-bus-rebates>. In response to EPA's September 29, 2021 call for applications, nearly half of the applications EPA received were from rural schools (according to school locale codes), which demonstrates interest and demand from rural communities for electric school buses. The Agency is reviewing the applicant eligibility and will announce the awards in early 2022.

EPA concurrently offered the 2021 ARP Electric School Bus Rebates along with the annual DERA School Bus Rebates. While the ARP program was targeted towards electric school buses for underserved populations, the DERA School Bus Rebates are open to all public-school districts and private fleets serving those schools for electric, diesel, gasoline, propane, or CNG buses meeting current emission standards. To reach the greatest number of potential applicants for both programs, EPA hosted a public webinar on October 6, and posted additional explanatory materials on the website. In 2021, the DERA School Bus Rebates will offer approximately \$10 million.

Thank you again for your letter. EPA is committed to maximum transparency with you, your colleagues in Congress, and the American people as we work to regain the public's trust by following the law and doing so in a transparent manner. If you have any questions, please contact me or Kristien Knapp in the Office of Congressional and Intergovernmental Relations at Knapp.Kristien@epa.gov.

Sincerely,



William L. Niebling
Associate Administrator

cc: The Honorable Thomas R. Carper
Chairman